## Screen Form 760 - Tax Year 2017

### **Process**

SCREEN LOCAL FILED TAX RETURNS - TAX YEAR 2017

### **Effective Date**

01/01/2018

### **Purpose**

This task is performed to ensure the **Tax Year 2017** Form 760 is complete and that informational screening codes are written on the return. This task is performed by Representatives in the Commissioner of Revenue's Office.

This task covers screening of the following categories and form types.

### **Categories**

- Category 1: 760 Refund return
- Category 3: 760 Tax Due return received with or without remittance

### **Form Types**

- 760 Handprint
- 760CG with 2D barcode
- 760CG without 2D barcode

This task is performed at the same time as General Screening.

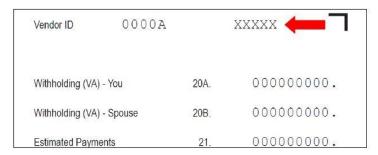
Please refer to TASK: General Screening of Individual Income Tax Returns - Tax Year 2017

# **Special Notes**

Beginning in Tax Year **2017**, an indicator will appear on printed copies of current year 760CG returns that were prepared for E-File submission. If current year Form 760CG return documents bearing this indicator are identified by staff in the Commissioner of the Revenue's Office, these documents should **not** be processed locally. They should be sent to TAX for **DIRECT** processing. Failure to identify these documents may result in the returns being processed locally and erroneous assessments created as a result.

Placement of the indicator **XXXXX** on Form 760CG will appear in the top right portion of the document to the right of the Vendor ID as shown below.

760CG – upper right side, next to the Vendor ID field



- Each bundle of work received should contain only one Category and one Form type. Do not mix types of work.
- The return is "coded" by writing the appropriate screening codes in the bottom right corner of Page 1 of the return.
- Making extensive changes to the return will result in processing delays and may cause errors.
- To assist a customer needing extensive changes, prepare a new 760 return and obtain the customer's signature. Give the original 760 return back to the customer because including it behind the correct return may cause processing problems and errors.
- Federal Form 1310, Statement of Person Claiming Refund Due a Deceased Taxpayer, may be attached to the return.

### **Procedure**

### Responsibility

Commissioner of Revenue's Office Locality Representative

### Steps

- 1. Screen the first return.
- 2. If a Computer-generated current year 760CG return is received bearing the **indicator** denoting that the return was prepared for E-File submission, place the return aside to be sent to TAX for **DIRECT** processing.
- 3. Determine if the Locality Code field is complete.
  - A. If the Locality Code field is complete, go to Step 4.
  - B. If the Locality Code field is blank, write in the appropriate FIPS code based on the address supplied by the customer.

**NOTE**: The Locality Code of "300" is designated when no city/county location is supplied by the customer.

- 4. Determine if the Federal Adjusted Gross Income (FAGI) field on Line 1 is complete.
  - A. If the FAGI is complete, go to Step 5.
  - B. If the FAGI is blank and there is an entry on Line 9 (Virginia Adjusted Gross Income),
    - 1. Compute the FAGI by working backwards and adjust for entries on Lines 2 and 4 7.
    - 2. Write the computed amount on Line 1.
      - **NOTE:** DO NOT alter the FAGI field unless it is blank.
- 5. If working a Handprint form **AND** there are entries on both Lines 20a and 20b, screen for an incorrect subtotal on Line 21.
  - A. View Lines 20a and 20b, 21 and 28.
  - B. If the sum of 20a plus 20b equals the amount on Line 21 AND equals the amount on Line 28, draw a line through the amount on Line 21.

NOTE: Customers occasionally add Lines 20a and 20b and enter the total on line 21.

- 6. Review for Credit for Tax Paid to Another State.
  - A. If the Credit is not claimed, go to Step 8.
  - B. If the Credit is claimed AND if the other state's tax return is included, go to Step 7.
  - C. If the Credit is claimed AND the other state's tax return is **not included AND** 
    - 1. If the total credit is less than \$500, the other state's income tax return is not required.
    - 2. If the total credit is equal to or greater than \$500, code "MX".
      - NOTE: The credit is claimed on Line 25 of Form 760 with the details listed on Schedule OSC.
- 7. Review Schedule OSC credit amount(s) and Form 760 net tax amount.



- A. Add the credit amount(s) from Schedule OSC Lines 10 and 20 for each state that does NOT have a line drawn through the Income Percentage.
- B. Compare the total OSC credit amount computed in STEP 6A to the amount appearing on Line 19 of Form 760.
  - 1. If Line 19, Form 760 is larger than the total computed OSC amount, go to Step 8.
  - 2. If Line 19 Form 760 is **smaller** than the total computed OSC amount, line through the Income Percentage on Schedule OSC for one or more state credits until the total allowable credit amount equals **less** than Line 19, Form 760.

**NOTE**: This action will cause the return to be presented to a TAX Representative for correction and resolution during automated processing.

- 8. If the Farmer, Fisherman, and Merchant Seaman checkbox is checked, code as follows:
  - Return filed on or before March 1, 2018 code "IX"
  - Return filed after March 1, 2018 code "UX"
- 9. Screen for Federal Form 1310.
  - A. If Federal Form 1310 is attached, code the return "DX".
  - B. If Federal Form 1310 is not attached, go to Step 10.
- 10. Determine if Form 760C or 760F is included.
  - A. If Form 760C or 760F is not included, go to Step 11.
  - B. If Form 760C or 760F is included, code "CX".
- 11. Place the screened return aside in one of the following stacks.
  - Timely Farmer, Fisherman, Merchant Seaman returns
  - Late Farmer, Fisherman, Merchant Seaman returns
  - All other returns

**NOTE:** Farmer, Fisherman, Merchant Seaman returns are identified and noted separately as Timely or Late for transmittal to TAX to ensure special handling.

- 12. Repeat Steps 2 11 until all returns have been screened.
- 13. Gather the completed 760 returns.
  - A. Secure the bundle with a rubber band or paper clip when there are too few returns to be rubber banded.
  - B. Place the completed bundle in the designated location for transmittal to TAX.

### **Published Date**

11/29/2017

